

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES FOR WHOLESALE)
ELECTRIC POWER TO MEMBER COOPERATIVES) CASE NO. 8648
OF EAST KENTUCKY POWER COOPERATIVE,)
INC.)

O R D E R

IT IS ORDERED that East Kentucky Power Cooperative, Inc., shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record, by January 7, 1983. Include with each response the name of the witness who will be available to respond to questions concerning the information requested. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed...

Information Request No. 3

1. Provide a detailed description of the terms, i.e., volume, price, etc., for the sale of fly ash to Monier Resources.
2. a. What burn rates were used to calculate the number of days supply of coal for the test year and the 5 preceding years shown in Item 18c of the response to the Commission's Order dated October 12, 1982. Provide the workpapers showing how the supply figures were calculated, including the calculation of the burn rates used.

- b. Provide the monthly ending inventory level in both tons and dollars for the test year and each of the 5 calendar years preceding the test year.
- c. What factors are considered in determining the optimum coal inventory level? Provide a complete list of all factors considered and the names and titles of East Kentucky's management personnel who make the decision as to what is the optimum coal inventory level.

3. Regarding the precipitator maintenance at the Dale Station units during the first 6 months of the test year, provide the following information:

- a. Describe any litigation initiated by East Kentucky against the manufacturers of the precipitators.
- b. Provide the amount of the damages originally claimed and the ultimate judgment or settlement amount, if any; also indicate how any sums received have been or will be treated for accounting purposes.
- c. Provide an explanation, with all necessary supporting documents, such as Findings of Fact, Conclusions of Law and Orders from a trial court

for the amount of any final judgment or settlement and the reasoning or decision that led to a reduced amount being accepted, if a settlement was reached.

4. Provide the date and the cost of the most recent cleaning of the Dale Station ash ponds prior to August-December 1981.

5. Provide a detailed explanation of the change in accounting for the costs of the system planning department that were previously capitalized.

6. Provide for each generating unit the date and incremental cost of the most recent turbine overhaul. Exclude those units overhauled during the test year.

7. Provide the final report prepared by Stanley Consultants or by East Kentucky relating to the decision to defer the commercialization of Smith Station No. 1 until 1992.

8. Explain how the construction on Smith Station No. 1 is scheduled to proceed over the next 10 years.

9. Indicate what, if any, impact the decision to defer Smith Station No. 1 will have on the financing of that unit, particularly the pollution control financing already utilized.

10. Indicate whether there is any current litigation involving lower than normal heat rates at any of East Kentucky's generating units. If any such litigation is pending, indicate the parties involved, the reasons for the litigation, and the relief being sought by East Kentucky.

Done at Frankfort, Kentucky, this 27th day of December, 1982.

PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary